Genus PLC
26 February 2008

For immediate release 26 February 2008

Genus plc

('Genus' or 'the Company')

Unaudited Interim Results for the six months ended 31 December 2007

Continued Strong Progress

Genus, the world leading animal genetics company, announces its results for the six months ended 31 December 2007. These results are reported under International Financial Reporting Standards ('IFRS').

Financial Highlights

	Adjusted results at constant currency+			Statutory results after exceptional items		
Six months ended 31 December	2007 Â£m	2006 Â£m	%	2007 Â£m	2006 Â£m	%
Continuing operations						
Revenue	120.4	116.1	+4	120.4	116.3	+4
Operating profit*	16.9	15.5	+9	10.3	10.6	-3
Profit before tax**	13.9	10.9	+28	7.3	6.1	+20
Basic earnings per share**	16.5p	13.6p	+21	8.4p	6.9p	+22

	Results at constant currency+			Statutory results		
Total operations						
Profit for the period	4.3	3.8	+13	4.3	4.4	-2
Basic earnings per share	7.7p	6.9p	+12	7.7p	8.0p	-4

* Adjusted operating profit is before fair value movements on biological assets, amortisation of intangible assets, share based payments and exceptional items

** Adjusted profit before tax and adjusted basic earnings per share are before fair value movements on biological assets, amortisation of intangible assets, share based payments and exceptional items, also excluding other gains and losses. Both measurements include share of profits of joint ventures and associates.

+ The results at constant currency for the 6 month period ended 31 December 2006 reflect the rates which applied during the 6 months ended 31 December 2007

Business Highlights

Results have been fully in line with expectations with adjusted profit before tax from continuing operations in constant currency increasing by 28% to Â£13.9m

(2006: Â£10.9m).

Genus' increased diversity and improved efficiency has offset the impact of exceptionally high global animal feed prices.

- â€¢Strong contributions from Bovine worldwide
- â€¢Porcine markets in the Far East buoyant due to growing demand and re-stocking following disease last year
- â€¢Porcine earnings volatility reduced by increased adoption of indirect royalty model
- â€¢Benefits accruing in Europe from Porcine restructuring, in spite of challenging market conditions
- â€¢Non-core asset divestment programme completed (SyAqua Mexico and Development Consulting during the period, Animalcare in January 2008)
- â€¢Progress achieved with restructuring the share register with a successful institutional share placing raising Â£19m and a further small shareholder buy-back
- â€¢Net debt reduced from Â£111m to Â£93m in the period
- â€¢Moved to the main market and inclusion in FTSE 250 from 6 February 2008

Commenting on Genus' interim results, Richard Wood, Chief Executive said:-

'Having delivered results that are fully in line with expectations and with adjusted profit before tax up by 28% at this interim stage, we are in a strong position to meet targets for the full year.

We have made substantial progress in trading, notwithstanding the impact of large increases in global animal feed prices. The increase in feed prices has only currently been reflected in the price of milk and has not yet been reflected in the prices of pork and beef.

Debt has been reduced substantially. We have completed the divestment of non-core assets, raised equity and restructured the share register to improve liquidity in our shares.

I am also pleased to report that, as a result of our strong progress, we were included in the FTSE 250 index on 6 February.'

For further information please contact:

Genus plc Tel: 01256 345970

Richard Wood, Chief Executive

Martin Boden, Finance Director

Buchanan Communications Tel: 020 7466 5000

Charles Ryland

Suzanne Brocks

Christian Goodbody

This announcement is available on the Genus website at: www.genusplc.com

About Genus

Genus creates and sells added value products for livestock farming and food producers by creating advances to animal breeding through biotechnology. Its non-Genetically Modified Organism (GMO) technology is applicable across all livestock species but is only commercialised by Genus in the bovine and porcine farming sectors.

Genus' worldwide sales are made in 70 countries under the trade marks 'ABS' (dairy and beef cattle) and 'PIC' (pigs) and comprise semen and breeding animals with superior genetics to those animals currently in production. Customers use Genus genetics in their herds to produce offspring with greater production efficiency, milk and meat output and quality. These offspring are used to supply the global dairy and meat supply chain.

Genus' competitive edge has been created from the ownership and control of proprietary lines of breeding animals, the biotechnology used to improve them and the Group's global production and distribution network.

Headquartered in Basingstoke, England, Genus companies operate in 30 countries on 6 continents, with research laboratories located in Madison, USA.

GROUP PERFORMANCE

The Board is pleased to report results that are fully in line with expectations, notwithstanding the presence of challenging market and operating conditions during the period.

The US dollar remained weak. With more than 50% of the group's sales being in US dollars, this reduced reported sales growth. Also, in some agricultural markets, the dramatic increase in world animal feed prices has not yet been reflected in increased food prices. As a result, farmer incomes have been temporarily held back and Genus' operating expenses also rose. The increased diversity of the group and the operating cost benefits of efficiency improvements made possible by the Sygen acquisition in December 2005, helped offset these market challenges and operating cost increases.

Revenue from continuing operations rose by 4% to Â£120m at constant exchange rates (2006: Â£116m).

At constant exchange rates, adjusted profit before tax from continuing operations, rose by 28% to Â£13.9m (2006: Â£10.9m). The exchange translational impact of Â£0.5m reduced the increase to 22%.

Before exceptional expenditure, statutory operating profit from continuing operations was Â£14.1m, an increase of 9% on last year (2006: Â£12.9m). Statutory results, which are stated after charging exceptional expenditure of Â£3.8m (2006: Â£2.3m) show an operating profit from continuing operations of Â£10.3m which was 3% lower than last year (Â£10.6m).

Exceptional expenditure comprised Â£1.6m relating to the main market listing (2006: Â£0.7m), Â£1.4m in Sygen integration costs and Â£0.8m of uncapitalised expense for the Group's new Oracle management information system.

These exceptional items and a loss on the disposal of the SyAqua Mexico business contributed to a reduction in the statutory total profit after tax for the period to Â£4.3m (2006: Â£4.4m) and reduced the statutory basic earnings per share to 7.7p (2006: 8.0p).

The effective rate of tax on adjusted profit before tax was 31.1%. Adjusted basic earnings per share from continuing operations rose by 21% in constant currency to 16.5p (2006: 13.6p) and by 15% (2006: 14.3p) at reported exchange rates.

The business trading cycle absorbs cash in the first half year in order to fund working capital. A share placing in November aimed at reducing debt and improving liquidity in the shares raised Â£18.9m after expenses. The net effect of the normal trading absorption of working capital at this time of the year, inflows from divestments of non-core assets (Â£2.8m) and the fund raising, reduced net debt by Â£18m to Â£93m by 31 December 2007 (30 June 2007: Â£111m). Gearing reduced to 53% at 31 December 2007 from 74% at 30 June 2007, with interest cover at 2.6 times adjusted operating profit from continuing operations (31 December 2006: 2.0 times).

The initial proceeds from the sale of Animalcare of Â£13.4m were received in January 2008 and have been used to reduce net debt further.

In line with previous years and the stated group dividend policy, the Board will not be recommending an interim dividend but expects to recommend a final dividend, when the results for the year to 30 June 2008 are announced.

THE AMERICAS

Constant currency	2007 Â£m	2006 Â£m	Movement %
Revenue	58.7	55.9	5%
Adjusted operating profit	10.7	10.1	6%
Adjusted operating margin	18.2%	18.1%	

In constant currency, revenue increased by 5% to Â£59m (2006: Â£56m) and adjusted operating profit increased by 6% to Â£11m (2006: Â£10m). Most of the region's business is conducted in US dollars. During the period, sterling remained strong but the exchange rate reduced below the peak reached last year. As a result exchange translational losses continued but at the reduced level of Â£0.4m.

Bovine genetics had a good first half year with revenue, in constant currency, up 17% to Â£23m. Dairy semen volume was 5% higher and sexed semen sales were buoyant as farmers sought to increase output because of strong milk prices and shortages in capacity.

High feed costs, not yet reflected in slaughter pig prices, temporarily held back the potential for growth in pig genetics. This, together with the impact of the change in the business model towards indirect royalty business, resulted in revenue of Â£34m, in constant currency, reducing by 2%. The strong royalty stream and the acquisition synergies improved margins by 2% of revenue.

North America

Constant Currency	2007 Â£m	2006 Â£m	Movement %
Revenue	46.0	43.9	5%
Adjusted operating profit	8.1	7.8	4%
Adjusted operating margin	17.6%	17.8%	

The expansion of the Genus Reproduction Management Service (RMS) helped dairy semen volume rise by 9% in the period. Sexed semen sales trebled as capacity increased.

In the porcine business, the application of the royalty model helped insulate the business from the short-term impact of increases in feed prices and royalty income was 3% higher than last year. In the non-royalty sector, live animal sales were 4% below last year as customers held back orders pending increases in slaughter prices which will remain low until retail prices reflect increasing feed costs.

South America

Constant currency	2007 Â£m	2006 Â£m	Movement %
Revenue	12.7	11.9	7%
Adjusted operating profit	2.6	2.3	13%
Adjusted operating margin	20.5%	19.3%	

Dairy semen volume was 8% higher than last year, with strong performances in Argentina and Uruguay offset by lower volumes in Mexico, where market conditions were challenging.

US exports to the region depressed pig slaughter prices in some countries but trade in Brazil and Chile remained strong due to a government ban on imports protecting local farmers from low cost imports. The Xaratanga production facility in Mexico was outsourced in August, incurring an exceptional cost of Â£0.1m. This change will reduce operating costs in the second half year.

EUROPE & ASIA

Constant Currency	2007 Â£m	2006 Â£m	Movement %
Revenue	65.1	63.6	2%
Adjusted operating profit	9.8	8.3	18%
Adjusted operating margin	15.1%	13.1%	

In constant currency, revenue increased by 2% to Â£65m (2006: Â£64m) and adjusted operating profit increased by 18% to Â£10m (2006: Â£8m). Exchange rates had little impact on the reported result.

The bovine sector had a very strong first half-year in buoyant market conditions. Revenue, in constant currency, increased by 14% to Â£35m. The porcine sector was temporarily depressed because of high feed prices but was more buoyant in the Far East because of a capacity shortage. The turn-around in Australia progressed as the weather improved.

Europe

Constant currency	2007 Â£m	2006 Â£m	Movement %
Revenue	56.2	56.0	1%
Adjusted operating profit	7.5	7.0	7%
Adjusted operating margin	13.3%	12.5%	

Strong demand for elite bovine semen and a buoyant start from the introduction of sexed semen produced strong bovine profit growth.

Dairy semen volume was 5% higher than last year, driven by dairy heifer shortages. Growth was particularly strong in the UK where revenues increased by 15%. After its introduction to the UK approximately 12 months ago, over 6% of UK cows have now been enrolled into the value adding Genus Reproductive Management Service.

Market conditions were difficult in the European porcine sector. To help farmers deal with this transitional phase before pork prices increase, the EU is considering intervention programmes. Revenue was 13% lower than last year as a result of these challenging market conditions. The increased use of the royalty based selling model and the benefits of reduced costs arising from the integration of Sygen increased profit contribution despite the difficult market conditions.

The small Italian porcine business was divested in January 2008 as part of the restructuring mentioned above.

Asia

Constant currency	2007 Â£m	2006 Â£m	Movement %
Revenue	8.9	7.6	17%
Adjusted operating profit	2.3	1.3	77%

Adjusted operating margin	25.8%	17.1%

Bovine semen volume rose 13% with trading being strong in most markets. The exception was Japan where milk prices did not follow the trend in other countries and remained low.

Porcine market conditions were buoyant in China, with the market short of capacity, following the disease outbreak last year and growing market demand. China is importing pig meat from the USA to help bridge the supply / demand imbalance. Profit contribution improved strongly, despite a revenue investment of Â£0.1m to increase multiplication capacity. This investment, coupled with a further investment in the region intended for the second half of the current financial year, is expected to satisfy increasing demand in this market.

RESEARCH & DEVELOPMENT

The same increases in feed prices that have temporarily depressed farm income, also increased the cost of operating the Genus studs and nucleus herds. This resulted in an increase in the group's expenditure on research and development. Despite hedging forward both feed costs and slaughter values, expenditure of Â£9.0m was Â£0.5m higher than last year.

We continue to see the successful results of our bovine genetics programme. Four Genus bulls are now in the top seven USA rankings and UK bred Picston Shottle's ranking rose to Number One in the USA as a result of a greater number of daughters being classified in the USA. This is an exceptional result, it being very rare for bulls bred outside the USA to achieve high ranking.

During the period, the Genus stud was again expanded and now comprises 189 bulls (174 bulls as at 30 June 2007), with ten high ranking new bulls entering various important country market listings.

Sales of ABS Sexation, the Genus sexed semen brand, increased from Â£1m to Â£4m of semen revenue for the period as increased capacity was commissioned. The product has been firmly established as the world market leader.

Work is continuing on alternative production methods for sexed semen. These aim to reduce or eliminate the capacity constraint associated with the current technology. Priority is being given to processes able to sort sperm cells collectively rather than sequentially.

Work on identifying the leading gene markers for low heritability porcine traits continued to make good progress. More than 200 markers have been included in the model used to measure genetic merit, alongside the measurements used historically. We believe that this enhancement will increase the rate of genetic improvement Genus will achieve over the next few years. This should increase the already strong lead the PIC product range has over its competitors.

DISCONTINUED BUSINESSES

The Board has continued to progress the strategy of concentrating upon the development of the bovine and porcine genetics businesses. The non-core Development Consulting and Mexican shrimp businesses were divested during the first half of the year. These businesses were sold for Â£3.2m and Â£1.3m respectively. There was a small net loss on the disposal of the shrimp business. In January 2008, the last remaining non-core business, Animalcare Limited, was sold to Ritchey plc for Â£14.0m (with Â£0.6m of the proceeds deferred and dependent on the manufacture of a new product which is under development). This has completed the disposal programme.

BOARD

In January 2008, Nigel Turner joined the Board as senior independent

non-executive director. Nigel was Chairman of Numis Securities Ltd and Deputy Chairman of Numis Corporation plc from December 2005 to November 2007. Previously he was Vice-Chairman of ABN AMRO's Wholesale and Investment Bank and a partner of Lazard. Nigel will chair the group's Remuneration Committee and will be a member of the group's Audit and Nomination Committees.

Genus also announced in January 2008 the retirement of Edwin White from the Board, having been a Board member since Genus became publicly quoted seven years ago. The Board wishes to record its thanks to Edwin White for his valuable knowledge and contribution to the growth and success of Genus.

SHARE REGISTER

As part of the Board's strategy to restructure the share register and to improve the liquidity of its shares, in October 2007 the Company completed a further voluntary buyback from shareholders who held fewer than 1,500 shares. The shares sold by these investors were bundled and placed with institutional investors. A total of 1,167,813 shares (2% of issued share capital) were acquired from 1,720 shareholders (9% of total number of shareholders). The institutional and private client institutional shareholdings now stand at approximately 76% of the total register.

PLACING OF NEW ORDINARY SHARES

On 1 November 2007 Genus raised Â£19.4m, before expenses, through a placing of 2,700,000 new Ordinary shares at 720p each. These shares were placed with institutional investors by the company's joint broker, Panmure Gordon. Landsbanki Securities acted as NOMAD and financial adviser to Genus in relation to the placing.

The proceeds of the placing have been used to reduce the group's net debt and provide additional financial flexibility for the business.

ADMISSION TO THE OFFICIAL LIST AND FTSE250

On 12 November 2007, Genus was admitted to the Official List of the UK Listing Authority and the London Stock Exchange's main market for listed securities. The company's FTSE classification is Biotechnology. On 6 February 2008, Genus was included in the FTSE250 index.

PRINCIPAL RISKS & UNCERTAINTIES

The Genus 2007 Annual Report and Prospectus dated 6 November 2007 set out a number of risks and uncertainties that might impact upon the performance of the group. Copies of these documents are available on the Genus website at www.genusplc.com. Genus operates a structured risk management process that identifies, evaluates and prioritises risks and uncertainties and reviews mitigation activity. There has been no change to the principal risks that might affect the group in the second half of the financial year other than the potential impact on sales growth of increasing feed prices which has been mitigated to date by cost reductions, by the group's strategy of increasing concentration on the royalty model in the porcine business and the increased geographical diversification of the business. The Board does not consider the recent difficulties in the financial credit markets to have impacted the group due to the high quality of its banking syndicate and pension fund investments.

OUTLOOK

Having delivered results that are fully in line with expectations for the first half of the year, and with January performance also in line with expectations, Genus is in a strong position to meet its targets for the full year.

The group is now stronger and more diverse. With the integration of Sygen nearing completion, Genus is well placed to continue to deliver the strong growth achieved in previous years, particularly as world agriculture continues to emerge from the difficulties experienced over the last ten years.

The successful share placing and reduction in debt place Genus in a strong financial position to achieve further growth.

Food prices are beginning to rise and farmers are investing in capacity and genetics to improve feed conversion. Genus is in a unique position to benefit from this gradual market change.

Condensed consolidated income statement

For the six months ended 31 December 2007

	Note	Six months ended 31 December 2007 Â£m	Â£m	Six months ended 31 December 2006 Â£m	Â£m	Year ended 30 June 2007 Â£m	Â£m
Revenue from continuing operations	5		120.4		116.3		233.8
Adjusted operating profit from continuing operations			16.9		15.9		28.7
Fair value movement on biological assets			1.1		0.3		10.9
Amortisation of intangible assets			(2.6)		(2.6)		(5.1)
Share based payments			(1.3)		(0.7)		(1.4)
Exceptional items:			14.1		12.9		33.1
- Sygen integration and restructuring expenses		(2.2)		(1.6)		(3.0)	
- Adjustment to goodwill on recognition of tax assets		-		-		(0.7)	
- Preparation for main market listing		(1.6)		(0.7)		(1.0)	
			(3.8)		(2.3)		(4.7)
Operating profit from continuing operations	5		10.3		10.6		28.4
Share of profit of joint ventures and associates			1.1		0.7		1.3
Other gains and losses			-		-		0.2
Finance costs	8		(4.1)		(5.2)		(10.0)
Profit before tax from continuing operations			7.3		6.1		19.9
Taxation	9		(2.6)		(2.3)		(7.2)
Profit for the period from continuing operations			4.7		3.8		12.7
(Loss)/profit for the period from discontinued operations	6		(0.4)		0.6		1.9
Profit for the period			4.3		4.4		14.6
Earnings per share from continuing							

operations				
Basic earnings per share	12	8.4p	6.9p	23.1p
Diluted earnings per share	12	8.2p	6.7p	22.5p
Basic adjusted earnings per share	12	16.5p	14.3p	24.6p
Diluted adjusted earnings per share	12	16.2p	13.9p	23.9p
Earnings per share from total operations				
Basic earnings per share	12	7.7p	8.0p	26.6p
Diluted earnings per share	12	7.5p	7.7p	25.8p

Condensed consolidated statement of changes in equity

	Note	Called up share capital Â£m	Share premium account Â£m	Own shares Â£m	Translation reserve Â£m	Hedging reserve Â£m	Retained earnings Â£m	Total Â£m
Balance at 1 July 2006		5.5	92.2	(0.2)	(4.9)	0.8	50.6	144.0
Foreign exchange translation differences		-	-	-	(14.7)	-	-	(14.7)
Fair value movement on net investment hedge, net of tax		-	-		0.9	-	-	0.9
Fair value movement on cash flow hedges, net of tax		-	-	-	-	1.6	-	1.6
Actuarial gains on defined employee benefit schemes, net of tax		-	-	-	-	-	5.2	5.2
Net income and expense recognised directly in equity		-	-	-	(13.8)	1.6	5.2	(7.0)
Profit for the period		-	-	-	-	-	14.6	14.6
Total recognised income and expense for the period		-	-	-	(13.8)	1.6	19.8	7.6
Recognition of share based payments, net of tax		-	-	-	-	-	3.4	3.4
Issue of ordinary shares		0.1	0.3	-	-	-	-	0.4

Dividends	10	-	-	-	-	-	(4.5)	(4.5)
Balance at 30 June 2007		5.6	92.5	(0.2)	(18.7)	2.4	69.3	150.9
Foreign exchange translation differences		-	-	-	8.2	-	-	8.2
Fair value movement on net investment hedge, net of tax		-	-	-	(0.3)	-	-	(0.3)
Fair value movement on cash flow hedges, net of tax		-	-	-	-	(1.9)	-	(1.9)
Actuarial losses on defined employee benefit schemes, net of tax		-	-	-	-	-	(1.5)	(1.5)
Net income and expense recognised directly in equity		-	-	-	7.9	(1.9)	(1.5)	4.5
Profit for the period		-	-	-	-	-	4.3	4.3
Total recognised income and expense for the period		-	-	-	7.9	(1.9)	2.8	8.8
Recognition of share based payments, net of tax		-	-	-	-	-	1.8	1.8
Issue of ordinary shares		0.3	19.2				-	19.5
Dividends	10	-	-	-	-	-	(5.3)	(5.3)
Balance at 31 December 2007		5.9	111.7	(0.2)	(10.8)	0.5	68.6	175.7

Condensed consolidated statement of changes in equity (continued)

	Note	Called up share capital Â£m	Share premium account Â£m	Own shares Â£m	Translation reserve Â£m	Hedging reserve Â£m	Retained earnings Â£m	Total Â£m
Balance at 1 July 2006		5.5	92.2	(0.2)	(4.9)	0.8	50.6	144.0
Foreign exchange								

translation differences	-	-	-	(12.0)	-	-	(12.0)
Fair value movement on net investment hedge, net of tax	-	-	-	0.3	-	-	0.3
Fair value movement on cash flow hedges, net of tax	-	-	-	-	0.6	-	0.6
Actuarial gains on defined employee benefit schemes, net of tax	-	-	-	-	-	3.4	3.4
Net income and expense recognised directly in equity	-	-	-	(11.7)	0.6	3.4	(7.7)
Profit for the period	-	-	-	-	-	4.4	4.4
Total recognised income and expense for the period	-	-	-	(11.7)	0.6	7.8	(3.3)
Recognition of share based payments, net of tax	-	-	-	-	-	0.7	0.7
Issue of ordinary shares	0.1	0.4	-	-	-	-	0.5
Dividends 10	-	-	-	-	-	(4.5)	(4.5)
Balance at 31 December 2006	5.6	92.6	(0.2)	(16.6)	1.4	54.6	137.4

Condensed consolidated balance sheet

As at 31 December 2007

	Note	31 December 2007	31 December 2006 (restated)	30 June 2007
		Â£m	Â£m	Â£m
Assets				
Goodwill		61.7	63.9	60.7
Other intangible assets		79.5	83.5	77.4
Biological assets	11	120.0	106.5	114.1
Property, plant and equipment		26.6	28.7	27.3
Interests in joint ventures and associates		4.8	3.7	3.5
Available for sale investments		0.5	0.8	0.5
Derivative financial assets		1.6	2.5	4.5
Deferred tax assets		9.0	10.1	10.4
Total non-current assets		303.7	299.7	298.4
Inventories		19.3	16.4	18.8
Biological assets	11	24.2	25.3	25.3
Trade and other receivables		53.1	43.9	43.0

Cash and cash equivalents		33.7	26.3	26.0
Income tax receivable		1.0	1.3	1.4
Assets held for sale	6	11.4	21.3	21.9
Total current assets		142.7	134.5	136.4
Total assets		446.4	434.2	434.8
Liabilities				
Trade and other payables		(42.0)	(35.4)	(34.8)
Interest-bearing loans and borrowings		(33.3)	(25.5)	(27.2)
Provisions		(1.7)	(2.9)	(1.9)
Obligations under finance leases		(0.8)	(1.7)	(0.9)
Current tax liabilities		(3.9)	(4.5)	(4.3)
Liabilities held for sale	6	(3.1)	(7.6)	(8.3)
Total current liabilities		(84.8)	(77.6)	(77.4)
Interest-bearing loans and borrowings		(91.4)	(122.6)	(108.9)
Employee benefits	15	(15.4)	(18.7)	(15.9)
Provisions		(2.1)	(1.6)	(2.3)
Deferred tax liabilities		(75.6)	(76.3)	(78.0)
Obligations under finance leases		(1.4)	-	(1.4)
Total non-current liabilities		(185.9)	(219.2)	(206.5)
Total liabilities		(270.7)	(296.8)	(283.9)
Net Assets		175.7	137.4	150.9
Equity				
Called up share capital		5.9	5.6	5.6
Share premium account		111.7	92.6	92.5
Own shares		(0.2)	(0.2)	(0.2)
Translation reserve		(10.8)	(16.6)	(18.7)
Hedging reserve		0.5	1.4	2.4
Retained earnings		68.6	54.6	69.3
Total equity		175.7	137.4	150.9

Condensed consolidated statement of cash flows

For the six months ended 31 December 2007

	Note	Six months ended 31 December 2007 Â£m	Six months Ended 31 December 2006 Â£m	Year Ended 30 June 2007 Â£m
Net cash flow from operating activities	14	5.0	7.3	23.8
Cash flows from investing activities				
Dividend received from joint venture and associates		-	-	1.3
Interest received		1.0	0.3	2.1
Proceeds from disposal of subsidiaries		2.8	1.0	1.0
Acquisition of property, plant and equipment and intangible assets		(4.3)	(3.1)	(7.1)
Proceeds from sale of property, plant and equipment		0.2	2.3	4.3
Net cash (outflow)/inflow from investing activities		(0.3)	0.5	1.6
Cash flows from financing activities				

Repayment of borrowings	(16.1)	(4.8)	(13.8)
Interest paid	(5.0)	(4.3)	(10.9)
Payment of capital element of finance lease liabilities	(0.2)	(0.1)	(0.9)
Cashflow receipt on closing out derivative financial instruments	-	1.7	1.7
Equity dividends paid	-	(4.5)	(4.5)
New share capital issued	19.5	0.5	0.4
Increase/(decrease) in bank overdrafts	4.5	(1.7)	(2.0)
Net cash inflow/(outflow) from financing activities	2.7	(13.2)	(30.0)
Net increase/(decrease) in cash and cash equivalents - continuing operations	4.2	(6.1)	(2.7)
Net increase/(decrease) in cash and cash equivalents - discontinued operations	3.2	0.7	(1.9)
Net increase/(decrease) in cash and cash equivalents	7.4	(5.4)	(4.6)
Cash and cash equivalents at beginning of period	27.3	34.0	34.0
Net increase/(decrease) in cash and cash equivalents	7.4	(5.4)	(4.6)
Effect of exchange rate fluctuations on cash held	(0.4)	(0.1)	(2.1)
Total cash and cash equivalents at end of period	34.3	28.5	27.3

Of the Â£34.3m cash and cash equivalents at 31 December 2007 (31 December 2006: Â£28.5m), Â£0.6m is included in assets held for sale in the consolidated balance sheet (31 December 2006: Â£2.2m).

Of the Â£27.3m cash and cash equivalents at 30 June 2007, Â£1.3m is included in assets held for sale in the consolidated balance sheet.

Analysis of Net Debt

	At 1 July 2007 Â£m	Cash flows Â£m	Foreign exchange Â£m	Non cash movements Â£m	At 31 December 2007 Â£m
Cash and cash equivalents	26.0	8.1	(0.4)	-	33.7
Cash and cash equivalents within assets held for sale	1.3	(0.7)	-	-	0.6
	27.3	7.4	(0.4)	-	34.3
Interest bearing loans - current	(27.2)	(0.1)	(0.2)	(5.8)	(33.3)
Obligation under finance leases - current	(0.9)	0.2	-	(0.1)	(0.8)
	(28.1)	0.1	(0.2)	(5.9)	(34.1)

Interest bearing loans - non current	(108.9)	11.7	-	5.8	(91.4)
Obligation under finance lease - non current	(1.4)	-	-	-	(1.4)
	(110.3)	11.7	-	5.8	(92.8)
Net Debt	(111.1)	19.2	(0.6)	(0.1)	(92.6)

Cash and interest bearing loans current at 31 December 2007 include UK treasury cash-pooling balances of Â£13.5m which are shown gross (31 December 2006: Â£11.4m).

Cash and interest bearing loans current includes Â£2.7m at 31 December 2007 received from the Development Consulting disposal that was applied as a mandatory repayment of loans on 14 January 2008.

	At 1 July 2006 Â£m	Cash flows Â£m	Foreign exchange Â£m	Non cash movements Â£m	At 31 December 2006 Â£m
Cash and cash equivalents	32.2	(5.8)	(0.1)	-	26.3
Cash and cash equivalents within assets held for sale	1.8	0.4	-	-	2.2
	34.0	(5.4)	(0.1)	-	28.5
Interest bearing loans - current	(25.5)	4.8	-	(4.8)	(25.5)
Obligation under finance leases - current	(2.1)	0.1	-	0.3	(1.7)
	(27.6)	4.9	-	(4.5)	(27.2)
Interest bearing loans - non current	(126.4)	-	-	4.9	(121.5)
Obligation under finance lease - non current	(0.1)	-	-	0.1	-
	(126.5)	-	-	5.0	(121.5)
Net Debt	(120.1)	(0.5)	(0.1)	0.5	(120.2)

Notes to the condensed set of financial statements

1. General Information

Genus plc is a company incorporated in England and Wales with registration number 2972325. Its shares are traded on the London Stock Exchange. Headquartered in Basingstoke, England, Genus companies operate in 30 countries on six continents, with research laboratories located in Madison, USA.

Genus sells added value products for livestock farming and food producers by creating advances to animal breeding through quantitative genetics and biotechnology. Its non-Genetically Modified Organism (GMO) technology is applicable across all livestock species but is only commercialised by Genus in the bovine and porcine farming sectors.

Genus' worldwide sales are made in seventy countries under the trade marks 'ABS' (dairy and beef cattle) and 'PIC' (pigs) and comprise semen and breeding animals with superior genetics to those animals currently in production. Customers use Genus genetics in their herds to produce offspring with greater production efficiency, milk and meat output and quality. These offspring are used to supply the global dairy and meat supply chain.

Genus' competitive edge has been created from the ownership and control of proprietary lines of breeding animals, the biotechnology used to improve them and the Group's global production and distribution network.

2. Basis of preparation

The unaudited Condensed set of Financial Statements for the six months ended 31 December 2007:

- â€¢ were prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' ('IAS 34') and thereby International Financial Reporting Standards ('IFRS'), both as issued by the International Accounting Standards Board ('IASB') and as adopted by the European Union ('EU');

- â€¢ are presented on a condensed basis as permitted by IAS 34 and therefore do not include all disclosures that would otherwise be required in a full set of financial statements; these should be read, therefore, in conjunction with the 2007 Annual Report;

- â€¢ include all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of the results for the periods presented;

- â€¢ do not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. They were approved by the Board of Directors on 25 February 2008.

The information relating to the year ended 30 June 2007 is an extract from the published financial statements for that year, which have been delivered to the Registrar of Companies. The auditors' report on those financial statements was not qualified and did not contain statements under section 237(2) or (3) of the Companies Act 1985.

The balance sheet at 31 December 2006 has been restated to adjust goodwill and intangible balances to reflect reclassification of goodwill balances to assets held for sale of Â£5.8m and exchange translational differences on goodwill and intangible assets of Â£2.8m and Â£3.1m, respectively.

The preparation of the condensed set of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the period. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

3. Accounting Policies and non-GAAP measure

The condensed set of financial statements has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) and in accordance with IAS 34 'Interim Financial Reporting'.

The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements, dated 17 September 2007, which are available on the Group's website www.genusplc.com. These policies have been consistently applied for all periods presented.

Change in accounting policies

In the current financial year, the Group will adopt International Financial Reporting Standard 7 'Financial Instruments: Disclosures' (IFRS 7) for the first time. As IFRS 7 is a disclosure standard, there is no impact of that change in accounting policy on the half yearly financial report. The additional disclosures will be made in the annual report for the year ended 30 June 2008.

IFRIC 8 'Scope of IFRS 2', IFRIC 9, 'Re-assessment of embedded derivatives', IFRIC 10, 'Interim Financial Reporting and Impairments' and IFRIC 11, 'IFRS 2 - Group and Treasury Share Transactions' have not had any impact on the Group.

At the balance sheet date a number of new standards, amendments and interpretations were in issue but not yet effective:

- The Group has not adopted early IFRS 8,'Operating Segments', which is effective for annual periods beginning on or after 1 January 2009. This standard will result in presentational changes to the group's reported segment information.

- IFRIC 12, 'Service Concession Arrangements' is effective for periods beginning on or after 1 January 2008 but will not have any impact on the Group.

- IFRIC 13, 'Customer Loyalty Programmes' is effective for periods beginning on or after 1 January 2008. The impact of this interpretation on the Group will be fully considered in due course.

- IFRIC 14, 'IAS 19 - The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction', although effective for periods beginning on or after 1 July 2008, has been adopted early by the Group.

Non-GAAP measure - Adjusted operating profit and adjusted profit before tax

Adjusted operating profit from continuing operations is defined as operating profit from continuing operations before the fair value movement in biological assets, amortisation of intangible assets, share based payment expense and exceptional items.

Adjusted profit before tax is before fair value movements on biological assets, amortisation of intangible assets, share based payments and exceptional items, also excluding other gains and losses.

These additional non-GAAP measures of operating performance are included as the directors believe that they provide a useful alternative measure for shareholders of the trading performance of the Group since they present operating profit and profit before tax before the non cash fair value movement in biological assets, non cash amortisation of intangibles, non cash share based payment expense and exceptional items. The reconciliation between operating profit and adjusted operating profit are shown on the face of the income statement. The directors recognise these alternative measures have certain limitations.

4. Foreign currency

The principal exchange rates used were as follows:

	Average			Closing		
	Six months ended 31 December 2007	Six months ended 31 December 2006	Year ended 30 June 2007	31 December 2007	31 December 2006	30 June 2007
US Dollar	2.04	1.91	1.94	1.99	1.96	2.01
Euro	1.43	1.48	1.48	1.36	1.48	1.49

Assets and liabilities of overseas undertakings are translated into sterling at the rate of exchange ruling at the balance sheet date and the income statement is translated into sterling at average rates of exchange.

5. Segmental information

Segmental information is presented in respect of the Group's business and geographical segments. The primary business segments are based on the Group's management and internal reporting structure. Inter-segment pricing is determined on an arm's length basis.

The Group comprises two main business segments: Bovine Genetics (dairy and beef cattle) and Porcine Genetics (pigs) which provide farmers with genetically improved breeding animals that have better production efficiency and better product quality.

The following non-core business segments were classified as discontinued operations at 31 December 2007:

- â€¢ Animal Health, a UK based licensed veterinary pharmaceutical distribution business;
- â€¢ Development Consulting, a UK based consulting business supplying services in the areas of natural resource, economic and social infrastructure and development; and
- â€¢ Shrimp Genetics, a division supplying genetically improved breeding animals.

Notes to the condensed set of financial statements

5. Segmental information (continued)

Area of activity - continuing operations

	Six months ended 31 December 2007			
	Bovine Genetics	Porcine Genetics	Unallocated	Total
	Â£m	Â£m	Â£m	Â£m
Revenue from continuing operations	58.3	62.1	-	120.4
Adjusted operating profit before research and product development	13.6	15.9	(3.6)	25.9
Research and product development	(4.4)	(4.6)	-	(9.0)
Adjusted operating				

profit from continuing operations	9.2	11.3	(3.6)	16.9
Fair value movement on biological assets	2.2	(1.1)	-	1.1
Amortisation of intangible assets	(0.1)	(2.5)	-	(2.6)
Share based payment	-	-	(1.3)	(1.3)
Exceptional items				
- Sygen integration, including IT and restructuring expenses	-	(1.5)	(0.7)	(2.2)
- Preparation for main market listing	-	-	(1.6)	(1.6)
Operating profit from continuing operations	11.3	6.2	(7.2)	10.3

Area of activity - continuing operations

	Six months ended 31 December 2006			
	Bovine Genetics	Porcine Genetics	Unallocated	Total
	Â£m	Â£m	Â£m	Â£m
Revenue from continuing operations	50.9	65.4	-	116.3
Adjusted operating profit before research and product development	11.6	15.8	(2.9)	24.5
Research and product development	(4.1)	(4.5)	-	(8.6)
Adjusted operating profit from continuing operations	7.5	11.3	(2.9)	15.9
Fair value movement on biological assets	2.9	(2.6)	-	0.3
Amortisation of intangible assets	(0.1)	(2.5)	-	(2.6)
Share based payment	-	-	(0.7)	(0.7)
Exceptional items				
- Sygen integration and restructuring expenses	(0.3)	(0.8)	(0.5)	(1.6)
- Preparation for main market listing	-	-	(0.7)	(0.7)
Operating profit from continuing operations	10.0	5.4	(4.8)	10.6

Notes to the condensed set of financial statements

5. Segmental information (continued)

Area of activity - continuing operations

	Year ended 30 June 2007			
	Bovine Genetics	Porcine Genetics	Unallocated	Total
	Â£m	Â£m	Â£m	Â£m
Revenue from continuing				

operations	102.3	131.5	-	233.8
Adjusted operating profit before research and product development	20.0	32.8	(6.4)	46.4
Research and product development	(8.3)	(9.4)	-	(17.7)
Adjusted operating profit from continuing operations	11.7	23.4	(6.4)	28.7
Fair value movement on biological assets	10.0	0.9	-	10.9
Amortisation of intangible assets	(0.1)	(5.0)	-	(5.1)
Share based payment	(0.4)	(0.3)	(0.7)	(1.4)
Exceptional items				
- Sygen integration, including IT and restructuring expenses	(0.4)	(2.6)	-	(3.0)
- Adjustment to goodwill on recognition of tax assets	-	(0.7)	-	(0.7)
-Preparation for main market listing	-	-	(1.0)	(1.0)
Operating profit from continuing operations	20.8	15.7	(8.1)	28.4

Notes to the condensed set of financial statements

5. Segmental information (continued)

Geographical segments

The bovine and porcine segments are managed on a worldwide basis, but operate in a number of geographical areas. Segment assets are based on the geographical location of the assets.

	Sales revenue by geographical region of origin			Sales revenue by geographical region at destination		
	Six months ended 31 December 2007	Six months ended 31 December 2006	Year ended 30 June 2007	Six months ended 31 December 2007	Six months ended 31 December 2006	Year ended 30 June 2007
Continuing operations	Â£m	Â£m	Â£m	Â£m	Â£m	Â£m
North America	53.2	49.5	111.5	46.0	45.8	94.9
South America	10.6	9.2	19.7	12.7	11.3	23.8
	63.8	58.7	131.2	58.7	57.1	118.7
United Kingdom	25.7	19.8	44.3	24.3	22.8	44.9
Continental Europe	27.5	32.7	55.0	31.9	32.7	63.9
Asia	6.8	8.6	10.4	8.9	7.2	13.4
	60.0	61.1	109.7	65.1	62.7	122.2
Inter-segmental sales	(3.4)	(3.5)	(7.1)	(3.4)	(3.5)	(7.1)
Continuing						

operations - total	120.4	116.3	233.8	120.4	116.3	233.8
Discontinued operations	10.5	13.8	29.2	10.5	13.8	29.2
Total	130.9	130.1	263.0	130.9	130.1	263.0

Discontinued sales revenue derives from the Development Consulting and Animal Health businesses, which originate in the United Kingdom and from the Shrimp Genetics business in Mexico and Thailand.

	Adjusted operating profit from continuing operations			Operating profit from continuing operations		
	Six months ended 31 December 2007	Six months ended 31 December 2006	Year ended 30 June 2007	Six months ended 31 December 2007	Six months ended 31 December 2006	Year ended 30 June 2007
Continuing operations	Â£m	Â£m	Â£m	Â£m	Â£m	Â£m
North America	8.1	8.3	15.1	8.5	5.3	14.9
South America	2.6	2.2	5.7	1.0	2.2	6.0
	10.7	10.5	20.8	9.5	7.5	20.9
United Kingdom	5.0	4.9	4.3	3.4	5.1	7.3
Continental Europe	2.5	1.9	7.1	2.0	1.5	7.1
Asia	2.3	1.5	2.9	2.6	0.8	1.2
	9.8	8.3	14.3	8.0	7.4	15.6
Unallocated costs	(3.6)	(2.9)	(6.4)	(7.2)	(4.3)	(8.1)
Total	16.9	15.9	28.7	10.3	10.6	28.4

Notes to the condensed set of financial statements

5. Segmental information (continued)

Business segments

Area of activity - discontinued operations	Six months ended 31 December 2007			
	Animal Health	Development Consulting	Shrimp Genetics	Total
	Â£m	Â£m	Â£m	Â£m
Revenue	3.9	6.2	0.4	10.5
Adjusted operating profit/(loss)	0.7	0.1	(0.2)	0.6
Operating profit/(loss)	0.7	0.1	(0.2)	0.6

Area of activity - discontinued operations	Six months ended 31 December 2006			
	Animal Health	Development Consulting	Shrimp Genetics	Total
	Â£m	Â£m	Â£m	Â£m
Revenue	4.0	9.0	0.8	13.8

Adjusted operating profit/(loss)	0.8	0.1	(0.7)	0.2
Winding up of legacy pension scheme	(0.6)	-	-	(0.6)
Operating profit/(loss)	0.2	0.1	(0.7)	(0.4)

Area of activity - discontinued operations	Year ended 30 June 2007			
	Animal Health	Development Consulting	Shrimp Genetics	Total
	Â£m	Â£m	Â£m	Â£m
Revenue	7.8	18.2	3.2	29.2
Adjusted operating profit	1.6	0.8	-	2.4
Winding up of legacy pension scheme	(0.6)	-	-	(0.6)
Share based payments	-	-	(0.1)	(0.1)
Operating profit/(loss)	1.0	0.8	(0.1)	1.7

The segment result from discontinued operations stated above is equal to the operating profit from discontinued operations disclosed in note 6, which provides a reconciliation to the net profit/(loss) from discontinued operations.

Notes to the condensed set of financial statements

6. Non-current assets held for sale and discontinued operations

Discontinued operations

	Six months ended 31 December 2007	Six months ended 31 December 2006	Year ended 30 June 2007
	Â£m	Â£m	Â£m
Adjusted operating profit/(loss)			
Loss in Shrimp Genetics for the period	(0.2)	(0.7)	-
Profit in Development Consulting in the period	0.1	0.1	0.8
Profit in Animal Health for the period	0.7	0.8	1.6
Adjusted operating profit from discontinued operations	0.6	0.2	2.4
Winding up of legacy pension scheme	-	(0.6)	(0.6)
Share based payments	-	-	(0.1)
Operating profit/(loss) from discontinued operations	0.6	(0.4)	1.7
Other gains and losses			
Sale of properties	-	-	0.7
Profit arising on sale of Dental products wholesale division	-	0.7	-
Profit on sale of Thailand operation of Shrimp Genetics	-	0.2	0.2
Profit on sale of Development consulting	0.1	-	-
Loss on sale of Mexico operation of Shrimp Genetics	(0.8)	-	-

	(0.7)	0.9	0.9
(Loss)/profit from discontinued operations before tax	(0.1)	0.5	2.6
Tax	(0.3)	0.1	(0.7)
(Loss)/profit from discontinued operations	(0.4)	0.6	1.9

The Board decided in May 2006 to dispose of the Shrimp Genetics business. Accordingly, the results of this business are shown within discontinued operations. The Shrimp Genetics business in Thailand was sold on 9 October 2006 for Â£1.0 million cash resulting in a profit on disposal of Â£0.2 million; Brazil was sold on 7 June 2006 for Â£3.3m resulting in a profit on disposal of Â£0.6m; and the remaining Mexican Shrimp Genetics business was disposed of on 4 October 2007 for an initial consideration of Â£0.3m and deferred consideration of Â£1.1m, being a total consideration of Â£1.4m and a loss on disposal of Â£0.8m.

The Board decided to dispose of the group's other non-core operations, the Animal Health business and Development Consulting prior to 31 December 2005. Accordingly, the results of these entities are shown within discontinued operations, and their assets and liabilities shown as held for sale at 31 December 2007 and 31 December 2006.

The Animal Health veterinary product and dental product wholesale businesses were sold on 28 October 2005 and 22 February 2006, respectively.

The business, assets and liabilities of Development Consulting was sold on 6 November 2007 for an initial cash consideration of Â£2.5m and deferred consideration of Â£0.5m, being a total consideration of Â£3.0m.

On 15 January 2008, Animalcare Limited was sold for an initial cash consideration of Â£13.4m. A maximum contingent consideration of Â£0.6m becomes payable by June 2008 in the event that production criteria with regard to a manufacturing contract for a new product are met.

Notes to the condensed set of financial statements

6. Non-current assets held for sale and discontinued operation (continued)

Assets held for sale

At 31 December 2007, Animal Health and PIC Italia Spa were classified as held for sale together with one freehold property. (31 December 2006: Animal Health, Development Consulting, Shrimp Genetics and Cazals Genetique SA together with two freehold properties). The residual Animal Health business and PIC Italia Spa were divested in January 2008.

The major classes of assets and liabilities comprising the operations held for sale are as follows:

	31 December 2007	31 December 2006 (restated)	30 June 2007
	Â£m	Â£m	Â£m
Assets			
Goodwill and intangible assets	6.7	6.3	6.3
Biological assets	0.4	1.0	0.3
Property, plant and equipment	1.3	1.0	2.7
Inventories	0.8	1.5	1.3
Trade and other receivables	1.6	9.3	10.0
Cash and cash equivalents	0.6	2.2	1.3
Total assets	11.4	21.3	21.9

Liabilities			
Trade and other payables	(3.1)	(7.6)	(8.3)
Total liabilities	(3.1)	(7.6)	(8.3)
Net assets of disposal groups	8.3	13.7	13.6

7. Exceptional items within continuing operations

Exceptional items are as follows:

	Six months ended 31 December 2007 Â£m	Six months ended 31 December 2006 Â£m	Year ended 30 June 2007 Â£m
Integration and restructuring (primarily Sygen acquisition related)			
- Integration costs, including IT and restructuring costs	1.8	1.6	3.0
- Irrecoverable Sygen assets	0.3	-	-
- Impairment of property asset	0.1	-	-
	2.2	1.6	3.0
Adjustment to goodwill on recognition of tax assets	-	-	0.7
Preparation for main market listing	1.6	0.7	1.0
	3.8	2.3	4.7

Included within integration and restructuring costs for the period ended 31 December 2007 is a provision of Â£0.5m where damages were awarded against the Company in November 2007 by a Californian court in relation to an employment dispute involving a former employee of Sygen International plc (see note 18).

Notes to the condensed set of financial statements

8. Net finance costs

	Six months ended 31 December 2007 Â£m	Six months ended 31 December 2006 Â£m	Year ended 30 June 2007 Â£m
Interest payable on bank loans & overdrafts	(4.9)	(5.5)	(11.0)
Finance charges payable under finance leases and hire purchase contracts	(0.1)	(0.1)	-
Amortisation of debt issue costs	(0.2)	(0.2)	(0.3)
Net interest cost in respect of pension schemes	-	(0.2)	(0.6)
Other interest payable	(0.1)	-	(0.2)
Total finance costs	(5.3)	(6.0)	(12.1)
Interest income on bank deposits	0.2	0.5	1.2
Other interest receivable	0.8	0.3	0.9
Net interest income in respect of pension schemes	0.2	-	-
Total finance income	1.2	0.8	2.1

Net finance costs	(4.1)	(5.2)	(10.0)

Notes to the condensed set of financial statements

9. Income taxes

Continuing Operations:

	Six months ended 31 December 2007 Â£m	Six months ended 31 December 2006 Â£m	Year ended 30 June 2007 Â£m
Current tax	2.2	3.0	5.2
Deferred tax	0.4	(0.7)	2.0
	2.6	2.3	7.2

The taxation charge for the period is based on the estimated effective tax rate for the full year of 35.1% (2006: 35.0%). In calculating the effective rate, account has been taken of differences from the statutory rate arising from tax rates in foreign jurisdictions, non deductible expenses, tax incentives not recognised in profit or loss and the effect of movements in the amount of tax losses and other temporary differences for which a deferred tax credit has not been recognised.

Deferred taxation is recognised in respect of differences between the carrying amounts of assets and liabilities in the accounts and the corresponding tax bases. This is subject to deferred tax assets only being recognised if it is considered probable that there will be suitable profits from which the future reversal of the temporary differences can be deducted.

There is a deferred tax liability at the period end of Â£75.6m (2006: Â£76.3m) which mainly relates to the recognition at fair value of biological assets and intangible assets arising on acquisition and a deferred tax asset of Â£9.0m (2006: Â£10.1m) which mainly relates to future tax deductions in respect of pension scheme liabilities and share scheme awards.

The total reduction in deferred tax during the period was Â£1.1m (2006: Â£2.9m) of which Â£0.4m was debited (2006: Â£0.7m was credited) to the consolidated income statement and Â£1.5m (2006: Â£2.2m) was credited to reserves.

Discontinued Operations:

	Six months ended 31 December 2007 Â£m	Six months ended 31 December 2006 Â£m	Year ended 30 June 2007 Â£m
Current tax	0.3	(0.1)	0.6

The tax charge on discontinued operations comprises tax of Â£0.3m on operating profits of Â£0.5m.There is no tax credit on the loss on disposal of Â£0.7m.

The prior year tax credit comprises a tax credit of Â£0.1m on operating losses of Â£0.4m. There was no prior year tax liability on the profit on disposal of Â£0.9m.

Notes to the condensed set of financial statements

10. Dividends

	Six months ended 31 December 2007 Â£m	Six months ended 31 December 2006 Â£m	Year ended 30 June 2007 Â£m
Amounts recognised as distributions to equity holders in the period			
Final dividend for the 15 month period ended 30 June 2006 of 8.25p per share	-	4.5	4.5
Final dividend for the 12 month period ended 30 June 2007 of 9.1p per share	5.3	-	-
	5.3	4.5	4.5

11. Fair Value of Biological Assets

	Bovine Â£m	Porcine Â£m	Total Â£m
Balance at 1 July 2007 - continuing operations	73.9	65.5	139.4
- held for sale	-	0.3	0.3
	73.9	65.8	139.7
Change in fair value less estimated point-of-sale costs	9.6	2.1	11.7
Transfers to inventory	(6.3)	(3.0)	(9.3)
Effect of movements in foreign exchange	0.7	1.9	2.6
Balance at 31 December 2007	77.9	66.8	144.7
Non-current	77.9	42.1	120.0
Current	-	24.2	24.2
Biological assets - continuing operations	77.9	66.3	144.2
Biological assets included within assets held for sale	-	0.5	0.5
Balance at 31 December 2007	77.9	66.8	144.7

Notes to the condensed set of financial statements

11. Fair Value of Biological Assets (continued)

	Bovine Â£m	Porcine Â£m	Total Â£m
Balance at 1 July 2006 - continuing operations	70.6	70.2	140.8
- held for sale	-	0.9	0.9
	70.6	71.1	141.7
Change in fair value less estimated point-of-sale costs	9.7	-	9.7
Transfers to inventory	(7.1)	(3.1)	(10.2)
Effect of movements in foreign exchange	(3.3)	(5.1)	(8.4)
Balance at 31 December 2006	69.9	62.9	132.8
Non-current	69.9	36.6	106.5
Current	-	25.3	25.3
Biological assets - continuing operations	69.9	61.9	131.8
Biological assets included within assets held for sale	-	1.0	1.0
Balance at 31 December 2006	69.9	62.9	132.8

	Bovine Â£m	Porcine Â£m	Total Â£m
Balance at 1 July 2006 - continuing operations	70.6	70.2	140.8
- held for sale	-	0.9	0.9
	70.6	71.1	141.7
Change in fair value less estimated point-of-sale			

costs	27.9	6.3	34.2
Transfers to inventory	(19.9)	(5.9)	(25.8)
Effect of movements in foreign exchange	(4.7)	(5.7)	(10.4)
Balance at 30 June 2007	73.9	65.8	139.7
Non-current	73.9	40.2	114.1
Current	-	25.3	25.3
Biological assets - continuing operations	73.9	65.5	139.4
Biological assets included within assets held for sale	-	0.3	0.3
Balance at 30 June 2007	73.9	65.8	139.7

Notes to the condensed set of financial statements

12. Earnings per share

Weighted average number of ordinary shares (basic)	Six months ended 31 December 2007 m	Six months ended 31 December 2006 m	Year ended 30 June 2007 m
Weighted average number of ordinary shares (basic)	56.2	55.2	54.9
Dilutive effect of share options	1.4	1.6	1.6
Weighted average number of ordinary shares for the purpose of diluted earnings per share	57.6	56.8	56.5

	Six months ended 31 December 2007	Six months ended 31 December 2006	Year ended 30 June 2007
Earnings per share from continuing operations			
Basic earnings per share	8.4p	6.9p	23.1p
Diluted earnings per share	8.2p	6.7p	22.5p
Adjusted earnings per share*	16.5p	14.3p	24.6p
Diluted adjusted earnings per share*	16.2p	13.9p	23.9p
Earnings per share from total operations			
Basic earnings per share	7.7p	8.0p	26.6p
Diluted earnings per share	7.5p	7.7p	25.8p

Earnings per share measures are calculated on the weighted average number of ordinary shares in issue during the period. As in previous years, adjusted earnings per share have been shown, since the Directors consider that this alternative measure gives a more comparable indication of the Group's underlying trading performance.

* The basis for calculating adjusted earnings per share has been changed to incorporate the results of the joint venture and associates, excluding fair value movements on biological assets.

Notes to the condensed set of financial statements

12. Earnings per share (continued)

Continuing operations

Basic earnings per share from continuing operations is calculated on the profit for the period of Â£4.7m (six months ended 31 December 2006: Â£3.8m; year ended 30 June 2007: Â£12.7m)

Adjusted earnings per share is calculated on profit for the period before fair value movements on biological assets, amortisation of intangible assets, share based payments, exceptional items and other gains and losses after charging taxation associated with those profits, of Â£9.3m (six months ended 31 December 2006 : Â£7.9m; year ended 30 June 2007: Â£13.5m), as follows:

Adjusted earnings from continuing operations	Six months ended 31 December 2007	Six months ended 31 December 2006 (restated)*	Year ended 30 June 2007 (restated)*
	Â£m	Â£m	Â£m
Profit before tax from continuing operations	7.3	6.1	19.9
Add/(deduct):			
Fair value movement on biological assets	(1.1)	(0.3)	(10.9)
Amortisation of intangible assets	2.6	2.6	5.1
Share based payments	1.3	0.7	1.4
Integration and restructuring expenses	2.2	1.6	3.0
Preparation for main market listing	1.6	0.7	1.0
Adjustment to goodwill on recognition of tax assets	-	-	0.7
Fair value movement on biological assets in joint venture and associates	(0.4)	-	(0.2)
Other gains and losses	-	-	(0.2)
Profit before fair value movement on biological assets, amortisation of intangible assets, share based payments, exceptional items and other gains and losses	13.5	11.4	19.8
Adjusted tax charge	(4.2)	(3.5)	(6.3)
Profit before fair value movement on biological assets, amortisation of intangible assets, share based payments, exceptional items and other gains and losses, after taxation	9.3	7.9	13.5

* The basis for calculating adjusted earnings per share has been change to include the results of the joint venture and associates, excluding movements of biological assets.

Total operations

Earnings per share for total operations has been calculated as the profit attributable to ordinary shareholders of Â£4.3m (six months ended 31 December 2006 Â£4.4m; year ended 30 June 2007: Â£14.6m) divided by weighted average number of ordinary shares (basic and diluted) as calculated above.

Notes to the condensed set of financial statements

13. Disposal of businesses

The net assets of the Development Consulting and Mexican Shrimp Genetics businesses at the respective dates of disposal were as follows:

	31 December 2007
	Â£m
Net assets	4.6
Attributable goodwill	0.3

Disposal expenses	0.2
	5.1
Loss on disposal	(0.7)
Total consideration	4.4
Satisfied by:	
Cash	2.8
Deferred consideration	1.6
	4.4

The deferred consideration will be settled in cash by the purchasers on or before May 2009.

14. Cashflow from operating activities

	Six months ended 31 December 2007 Â£m	Six months ended 31 December 2006 Â£m	Year ended 30 June 2007 Â£m
Profit for the period	4.3	4.4	14.6
Adjustments for:			
- Fair value movements on biological assets	(1.1)	(0.3)	(10.9)
- Amortisation of intangibles	2.6	2.6	5.1
- Adjustment to goodwill on recognition of tax assets	-	-	0.7
- Share based payment expense	1.3	0.7	1.5
- Share of profits of associates	(1.1)	(0.7)	(1.3)
- Other gains and losses	-	-	(0.2)
- Finance costs	4.1	5.2	10.0
- Income tax expense	2.6	2.3	7.8
- Loss/(gain) on disposal of discontinued operations	0.7	(0.6)	(0.2)
- Depreciation of property plant & equipment	1.8	2.5	4.7
- Decrease in provisions	(0.4)	(0.8)	(0.9)
Operating cash flows before movement in working capital	14.8	15.3	30.9
(Increase)/decrease in inventories	(1.3)	0.7	1.6
Increase in receivables	(7.6)	(1.7)	(1.2)
Increase/(decrease) in payables	1.5	(5.4)	(4.0)
Cash generated by operations	7.4	8.9	27.3
Income taxes paid	(2.4)	(1.6)	(3.5)
Net cash inflow from operating activities	5.0	7.3	23.8

Notes to the condensed set of financial statements

15. Employee benefits

Pension & medical plans

Obligation recognised in the consolidated financial statements

The Group provides employee benefits under various arrangements, including defined benefit and defined contribution pension plans, the details of which are disclosed in the most recent annual financial statements. Details of the total recognised defined benefit obligations are provided below:

	31 December 2007	31 December 2006	30 June 2007

	Â£m	Â£m	Â£m
Present value of unfunded obligations	(6.4)	(6.5)	(6.5)
Present value of funded obligations	(138.1)	(135.8)	(134.2)
Fair value of plan assets	129.1	123.6	124.8
Gross liability for defined benefit obligations	(15.4)	(18.7)	(15.9)

Pension plans

Dalgety pension fund

A Deed of Agreement was signed on 23 January 2008 by the company and the trustees of the fund, pursuant to the Heads of Agreement which were agreed on 8 November 2007 and which formed the basis of the funding arrangement agreed for the actuarial valuation of the fund as of 31 March 2006.

Under the agreement the Company agreed to make deficit repair contributions of Â£2.4m to the fund of which Â£1.8m were made by 31 December 2007 with a further Â£0.6m in January 2008. The trustees of the fund agreed to transfer an amount of Â£4.8m into the fund from their trustee share of surplus. Â£2.1m of this amount was in respect of known liabilities with an additional Â£2.7m transferred as a reserve against future unknown liabilities materialising. As the economic benefit to the company of this latter amount is not certain, it is treated as a contingent asset.

Expense recognised in the consolidated interim income statement

The expense recognised in the consolidated interim income statement consists of the current service costs, interest on the obligation for employee benefits and the expected return on plan assets. For the six months ended 31 December 2007, the Group recognised an expense of Â£0.5m (six months ended 31 December 2006: Â£1.5m; year ended 30 June 2007: Â£2.7m).

The principal actuarial assumptions at the date of the most recent actuarial valuations (expressed as weighted averages) are:

	31 December 2007	31 December 2006	30 June 2007
	%	%	%
Discount rate	5.7	5.3	5.7
Expected return on plan assets	6.3	6.1	6.6
Future salary increases	4.3	4.1	4.2
Medical cost trend rate	7.2	3.1	7.2
Future pension increases	3.3	3.1	3.2

Notes to the condensed set of financial statements

15. Employee benefits

Share-based payments

The fair value of the share award and share option schemes has been established using a binomial model. During the six months ended 31 December 2007, the Group recognised an expense (including National Insurance) of Â£1.3m related to the fair value of the share awards and options awarded (six months ended 31 December 2006: Â£0.7m; year ended 30 June 2007: Â£1.5m).

16. Share Capital

Share capital at 31 December 2007 amounted to Â£5.9m. During the period, the Group issued 3.3m shares of which 2.7m were issued through an institutional placing raising Â£18.8m, applied to reduce the group debt.

17. Financial instruments

Hedging of fluctuations in interest rates

The Group adopts a policy of ensuring that between 70 and 90 percent of its exposure to changes in interest rates on borrowings is hedged. An interest rate swap, denominated in sterling, has been entered into to achieve an appropriate mix of fixed and floating rate exposure within the Group's policy. At 31 December 2007, approximately 86 percent of borrowings were hedged with a fixed rate of interest of 4.74%. The swap matures on an amortised basis as the related borrowings amortise over the next 3 years.

The Group classifies its interest rate swaps as a cash flow hedge. The fair value of the interest rate swap at 31 December 2007 was Â£1.1m (31 December 2006: Â£2.0m) and is recognised as a financial asset, with a corresponding credit to the hedging reserve.

Hedging of fluctuations in foreign currency

The Group is exposed to foreign currency risk on the net assets of overseas subsidiary entities. To manage this risk a 4.5 year cross currency swap was entered into in September 2006, designated as a hedge of the spot rate risk arising on the group's net investment in US dollar denominated subsidiaries.

18. Other matters

Contingencies

There have been no material changes to the Group's contingent liabilities relating to performance bonds and credit guarantees totalling Â£1.0m in the six months ended 31 December 2007, nor the group's ongoing joint and several liability for the Milk Pension Fund, more fully described in the Annual Report 2007.

There have been no changes to any legal proceedings involving the Group in the six months ended 31 December 2007 which are expected to have, or have had, a material effect on the financial position or profitability of the Group save in relation to an employment dispute involving a previous employee of Sygen International plc where damages of $975,000 were awarded against the Company in November 2007 by a Californian court. Whilst this amount has been provided in the interim results, the Company denies liability and is appealing the decision.

Capital commitments

At 31 December 2007 no capital commitments have been contracted for.

Seasonality

The Group has not historically been subject to significant seasonal trends with the exception of a higher use of working capital in the first half of the financial year.

Notes to the condensed set of financial statements

19. Related parties

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the group and its joint ventures and associates are described below:

Other related party transactions

	Transaction value	Balance outstanding

	Six months ended 31 December 2007	Six months ended 31 December 2006	Year ended 30 June 2007	31 December 2007	31 December 2006	30 June 2007
Sale of goods to	Â£m	Â£m	Â£m	Â£m	Â£m	Â£m
Joint Ventures and associates	4.3	5.1	7.0	0.3	0.1	0.5

All outstanding balances with joint ventures and associates are priced on an arm's length basis and are to be settled in cash within three months of the reporting date. None of the balances are secured.

During the period the Company paid fees of Â£2.0m for IT consultancy services. The Salamander Organization Limited ('Salamander'), a party related to Mr J E Hawkins, was paid Â£0.4m (31 December 2006: Â£0.1m) for services supplied by Salamander directly and Â£1.0m (31 December 2006: Â£0.5m) for services supplied by external contractors. Mr Hawkins is chairman of the Salamander board and has a 1% shareholding in Salamander. Mr Hawkins had no involvement in the negotiation of the agreement between the Company and Salamander and the agreement was entered into on an arm's length basis. The external contractors referred to above were provided by Reed Professional Services Limited with effect from 1 November 2007 and were paid Â£0.6m in the period. The agreement with Salamander was terminated on 20 January 2008.

During the period the Company disposed of its Development Consulting business after a competitive tender process to the management team and a former director of the Company, Mr David Timmins, who resigned as a director of the Company on 2 April 2007.

20. Events after the balance sheet date

On 15 January 2008, Animalcare Limited was sold for an initial cash consideration of Â£13.4m. A maximum contingent consideration of Â£0.6m becomes payable by June 2008 in the event that production criteria with regard to a manufacturing contract for a new product are met.

Responsibility statement

We confirm that to the best of our knowledge:

a) the condensed set of financial statements has been prepared in accordance with IAS 34;

b) the interim management report includes a fair review of the information required by DTR 4.4.7R (indication of important events during the first six months and description of principle risks and uncertainties for the remaining six months of the year; and

c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and charges therein).

Neither the company nor the directors accept any liability to any person in relation to the half-yearly financial report except to the extent that such liability could arise under English Law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A of the Financial Services and Markets Act 2000.

By order of the Board

Chief Executive Finance Director

R K Wood M B Boden

25 February 2008 25 February 2008

Report on Review of Condensed Set of Financial Statements of Genus plc

We have been engaged by the company to review the condensed set of financial statements in the interim financial report for the six months ended 31 December 2007 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Balance Sheet, the Condensed Consolidated Statement of Cash Flows, the Analysis of Net Debt and related notes 1 to 20. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements 2410 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdoms' Financial Services Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting,' as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2007 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte & Touche LLP

Chartered Accountants and Registered Auditor

25 February 2008

London, UK

This information is provided by RNS
The company news service from the London Stock Exchange